

Annual Report by the Director

1999 - 2000 Reporting Period

Synopsis

On December 15, 1997, Cabinet approved the Beverage Container Stewardship Program Regulation to replace the deposit-refund requirements of the Litter Act. The regulation encompasses **all containers of ready-to-drink beverages, except for milk, milk substitutes, infant formula and meal replacements**. An exemption, until October 1, 1999, was granted to polycoated and flexible pouch containers to allow industry to develop a viable recycling solution.

Over 84% of beverage containers sold in BC were collected and recycled in 1999

Performance

Three stewardship agencies have been established by the beverage industry to meet their responsibilities under the regulation. These are:

Stewardship Agency	Beverage Category	Proportion of BC Beverage Industry
Encorp Pacific (Canada)	Non-alcoholic beverages	50%
Liquor Distribution Branch	Wine, spirits, non-refillable beer, cider and coolers, except those produced by Molson and Labatt.	7%
Brewers Distributor Ltd.	Domestic beer in refillable glass and aluminum cans	43%

The following independently audited data have been submitted by the industry stewards:

Stewardship Agency	Reporting Period	Recovery Rate
Encorp Pacific (Canada)	October 1, 1998 to December 31, 1999	75%
Liquor Distribution Branch	April 1, 1999 to March 31, 2000	85%
Brewers Distributor	April 1, 1999 to	95%

Ltd.	March 31, 2000	
------	----------------	--

Recycling fees for non-alcoholic beverages are established entirely by the non-alcoholic beverage industry

Funding

Funding for the return program is generated through unredeemed deposits, revenue from sales of recyclable materials and brand-owner fees as necessary. The following independently audited financial data have been provided by the industry stewards:

Stewardship Agency	Reporting Period	Deposits Charged	Deposits Refunded
Encorp Pacific (Canada)	December 1, 1998 to December 31, 1999	\$ 57,639,873	\$ 43,889,919
Liquor Distributors Branch	April 1, 1999 to March 31, 2000	\$ 10,812,555	\$ 9,072,474
Brewers Distributor Ltd.	April 1, 1999 to March 31, 2000	\$ 96,889,827	\$ 53,887,910

Industry Updates

Encorp Pacific (Canada)

Encorp's container collection system comprises retail returns of up to 24 containers per person per day at retail stores where the beverages are sold and unlimited returns for all non-alcoholic beverage brands sold in BC at 160 depots province-wide.

In March, 2000, Encorp introduced a policy whereby "recycling fees" payable to Encorp by brand-owners for some container types are disclosed as separate line items on distribution invoices throughout the beverage industry when the beverages are first sold. Under this policy, Encorp also recommends that these fees be passed along as separate charges by retailers to consumers. In order to be accountable for these fees, Encorp has agreed to release an annual report describing aggregated revenues and expenditures and stewardship program activities on an annual basis, for the year 2000 and onward.

It is Encorp's objective to build a depot-based return system which will become the primary beverage container return network for BC consumers. In this regard, Encorp and the ministry are progressing towards finalising a protocol to govern the process of obtaining Deputy Minister approval for de-regulation of mandatory retail returns outside the Greater Vancouver Regional District and Capital Regional District. As a component of this process, Encorp successfully completed a demonstration program in the City of Cranbrook where mandatory retail returns for beverage containers were reduced from 24 containers per person per day to six.

Liquor Distribution Branch (LDB)

The LDB, responsible for wine, spirits, non-refillable beer, cider and cooler containers, provides for retail returns at all 222 LDB outlets and 144 rural agency stores province-wide, as well as unlimited returns at 45 depots which are serviced by Wastech under contract to the LDB. Wine and spirits in glass containers are accounted for in the LDB return tracking system as a cumulative total.

Brewers Distributor Ltd. (BDL)

The BDL container management system for domestic beer containers provides for retail returns at all LDB retail outlets and cold beer and wine stores, as well as unlimited returns at 21 depots.

The Beverage Container Management Board

The Beverage Container Management Board continues to meet on a quarterly basis and provides advice to the Minister on the province's deposit-refund system. The ten member board comprises representatives nominated by Encorp Pacific (Canada), Brewers Distributor Ltd., the Liquor Distribution Branch, the BC Bottle Depot Association, local government, labour, retail grocers, the Recycling Council of BC, an environmental non-government organization and the Ministry of Environment, Lands and Parks. The Board is chaired by Pat Wallace from Kamloops, the local government representative.

Polycoated Containers and Flexible Stand-up Plastic Drink Pouches

Drink boxes, gable-tops and plastic pouches became subject to deposit-refund requirements on October 1, 1999, and were being recycled by overseas processors until the completion of modifications to the Crown Packaging recycling facility in Burnaby, BC, in October, 2000.

Recyclability of Containers

The following summarises recycling end markets for containers collected in BC:

Encorp Pacific (Canada)

Material type	Products
Aluminum	New aluminum cans
PET plastic	Carpet fibre, insulation for winter clothing, new containers
HDPE plastic	Non-food containers such as oil, detergent and spray bottles, plastic film
PVC plastic	PVC Piping
Bag-in-box	Cardboard box - paper products Foil bladder - New plastic for nonfood containers
Glass	Fibreglass home insulation, new bottles, construction aggregate, sand blasting
Bi-metal	Metal products
Gable-top	Paper products including finish paper coat for gypsum wall board
Aseptic drink box	Paper products including finish paper coat for gypsum wall board

Major Recycling Processors/Brokers

Canadian Fibre, Richmond	ETL Environmental Technology, Surrey, Victoria	International Paper Industries, Surrey, Nanaimo, North Vancouver
Scraps - Sunshine Coast Recycling and Processing Society, Gibsons	Carney Waste Systems, Squamish	Crown Packaging, Kelowna
Nechako Processing, Prince George	D.C. Recycling & Bottle Depot, Dawson Creek	Amanda Enterprises, Williams Lake
Chilliwack Recyclers, Chilliwack	GRIPS - Garbage Recycling in Pender Society, Madeira Park	Merlin Plastics, Richmond
Enderby Glass, Enderby	Skyway Distributors, Cranbrook	Skeena Queen-Charlotte Regional District, Prince Rupert
Alcan Aluminum		

Liquor Distribution Branch

Material Type	Products
PET Plastic	Resin for use in new containers and other plastic products
Bag-in-Box ¹	Cardboard Box: Paper products Foil Bladder: Partly recycled; partly disposed to landfill
Glass ²	Fibreglass insulation, glass manufacturing, construction aggregate

Major Recycling Processors/Brokers

Crown Packaging and other recyclers province-wide	Various glass processors province-wide	Merlin Plastics
---	--	-----------------

Notes:

1. In accordance with the stewardship plan approval conditions, partially recyclable containers are required to be at least 95% recyclable by March 31, 2003, or be phased out.
2. A very small amount of ceramic containers (less than 0.1%) are included in the glass category. This small quantity does not affect the recycling value of the glass stream, for other than new glass manufacturing.

Brewers Distributer Ltd.

Material Type	Products
Glass	Bottles refilled on average 15 times per container. End-of-life glass is recycled into drainage in

	construction materials, road aggregate and fibreglass production.
Aluminum	New aluminum cans and other fabricated aluminum products

Major Recycling Processors/Brokers

Pacific Metals	ETL Environmental Technology	Crown Packaging
Alcoa Aluminum		

Further Information

Recycling Hotline of BC	(604) 732-9253 (Greater Vancouver) 1-800-667-4321 (Rest of BC)
Encorp Pacific (Canada)	(604) 473-2400 (Greater Vancouver) 1-800-330-9767 (Rest of BC)
Liquor Distribution Branch	(604) 252-3029
Brewers Distributor Ltd.	(604) 664-2300

Ron Driedger, P. Eng.
Director, Pollution Prevention and Remediation Branch